



Ernie Fletcher
Governor

Mark David Goss
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Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
**Environmental and Public Protection
Cabinet**

Ellen C. Williams
Vice Chairman

Christopher L. Lilly
Commissioner
Department of Public Protection

Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460

Gregory Coker
Commissioner

Contact:
Andrew Melnykovich
(502) 564-3940 x208
(502) 330-5981 (cell)

PSC SETS HEARINGS ON LG&E AND KU ENVIRONMENTAL SURCHARGES

Revenue would pay for pollution control improvements

FRANKFORT, Ky. (April 15, 2005) – The Kentucky Public Service Commission (PSC) will hold two hearings to consider requests by Louisville Gas and Electric Co. (LG&E) and Kentucky Utilities Co. (KU) to increase the environmental surcharges paid by electric customers of the utilities.

A hearing to take public comment on the surcharges will be held Wednesday, April 20, 2005, at 6:30 p.m. EDT. The formal evidentiary hearing will begin at 9 a.m. EDT on Tuesday, May 10, 2005. Both hearings will be at the PSC offices at 211 Sower Boulevard in Frankfort.

Under Kentucky law, electric companies may impose surcharges to recover the costs of complying with pollution control requirements. LG&E and KU are planning a number of projects to reduce air emissions and prevent water pollution at their electric generating plants.

LG&E estimates that its proposed surcharge initially would add 14 cents to the monthly bill of a residential customer using 1,000 kilowatt-hours (a kilowatt-hour is the amount of electricity used by a 100-watt light bulb in 10 hours). By 2008, the surcharge would add 32 cents to the monthly bill.

KU's proposed additional monthly surcharge would begin at 81 cents per month in 2005 and rise to \$7.05 per month in 2009.

The surcharges are subject to PSC review and approval.

Any member of the public wishing to speak on the proposed surcharges may do so only at the April 20 public hearing. Depending on the number of people wishing to speak, the length of individual oral comments may be limited in order to allow everyone to be heard.

Written comments also will be accepted at the public hearing and while the case is pending. Written comments may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to (502) 564-9625 or sent by e-mail from the PSC Web site, psc.ky.gov.

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LG&E and KU are both subsidiaries of LG&E Energy LLC. LG&E has about 391,000 electric customers in nine counties in the Louisville area. KU serves about 486,000 customers in 77 Kentucky counties.

Documents filed in the cases are available on the PSC Web site. The case numbers are 2004-00421 (LG&E) and 2004-00426 (KU).

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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